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STATE AUDITORS OFFICE

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
MONTANA STATE AUDITOR**

IN THE MATTER OF:)	
)	CASE NO. INS-2015-348
HCC LIFE INSURANCE COMPANY;)	
HCC MEDICAL INSURANCE SERVICES,)	CONSENT AGREEMENT AND
LLC; STARR INDEMNITY & LIABILITY)	FINAL ORDER RE:
COMPANY; USHEALTH GROUP;)	STARR INDEMNITY & LIABILITY
NATIONAL FOUNDATION LIFE)	COMPANY
INSURANCE COMPANY; COVERAGE)	
ONE INSURANCE GROUP, LLC; DAVID)	
H. ETTINGER; BETH ETTINGER; KARL)	
BECKER; HEALTH BENEFITS ONE,)	
LCC; MATTHEW E. SPIEWAK;)	
DANIELLE BRETTI; QUICK QUOTE US)	
LLC; MICHAEL S. HILF; TERRY M.)	
ALVARADO; MICHAEL K. BORCHERS;)	
PEDRO J. COLON; TERESA M.)	
NEWMAN; JORGE SAAVEDRA;)	
SAMATHA M. SCHEIBNER; MICHAEL)	
C. TOBIAS; WESTERN HERITAGE)	
INSURANCE MARKETING GROUP; and)	
LISA D. GONZALES;)	
)	
Respondents.)	

This Consent Agreement (Agreement) is entered into by the Office of the Montana State Auditor, Commissioner of Securities and Insurance (CSI), acting pursuant to the authority of the Montana Insurance Code, Mont. Code Ann. § 33-1-101 et seq. (Code), and Starr Indemnity &

Liability Company (Respondent). The Final Order (Order) is issued by the authority of the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner).

RECITALS

WHEREAS, the CSI alleged in the Notice of Proposed Agency Action and Opportunity for Hearing (NOPAA) that insurance producers working for or with Health Insurance Innovations (HII) made misleading statements to consumers while selling short term insurance policies offered by insurers such as Respondent;

WHEREAS, Respondent voluntarily terminated its relationship with HII and ceased selling short-term medical policies on or about February 13, 2014;

WHEREAS, the CSI alleges that HII and Respondent failed to validly appoint several insurance sub-producers of HII within 15 days of those producers representing themselves as having business relationships with Respondent, in violation of Mont. Code Ann. § 33-17-236;

WHEREAS, appointment of those insurance producers was HII's contractual obligation to Respondent; and

WHEREAS, the CSI and Respondent agree that the best interests of the parties and the public would be served by entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual undertakings contained in this Agreement, the CSI and Respondent agree to settle this matter pursuant to the following terms and conditions:

STIPULATIONS AND CONSENTS

- I. Respondent stipulates and consents to the following:
 - A. Respondent neither admits nor denies the allegations contained in the NOPAA.

B. Pursuant to MCA § 33-1-1102, and while neither admitting nor denying the allegations contained in the NOPAA, Respondent agrees to pay \$60,000.00 to the claims administrator Dahl Administration, LLC, (Dahl) as part of a fund for to the benefit of Montana insureds who purchased short-term medical insurance from HII. The claim and validation process shall be set by the CSI, and processed by Dahl. This payment shall be made by check payable to "Health Insurance Innovations Restitution Fund" within 10 business days of the execution of this Agreement and sent to:

Dahl Administration, LLC
Attn: Jeff Houdek
6465 Wayzata Blvd., Ste. 420
Minneapolis, MN 55426

Proof of the payment shall be sent to:

Montana State Auditor's Office
c/o Lisa Monroe
840 Helena Ave.
Helena, MT 59601
lmonroe@mt.gov

C. Respondent agrees to pay \$15,000.00 to the claims administrator Dahl for administrative expenses of the fund described in subparagraph I(B). Any of this amount not required for claims administration expenses shall be paid to the State of Montana as an administrative fee. This payment to Dahl shall be made within 10 business days of the execution of this Agreement. The payment and proof of the payment shall be sent to the same addresses as in paragraph I(B).

D. Respondent agrees to not commit any violations of the Code. In particular, Respondent agrees that its insurance products shall only be sold in Montana by validly licensed and appointed insurance producers.

E. Respondent fully and forever releases and discharges the Commissioner, the CSI, and all of the CSI's employees and agents from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of this Agreement.

F. Respondent specifically and affirmatively waives its right to a contested case hearing and all rights to appeal under the Montana Administrative Procedure Act, Mont. Code Ann. § 2-4-101 et seq., and elects to resolve this matter with this Agreement.

G. Respondent acknowledges that it was advised of the right to be represented by legal counsel and if represented by legal counsel, that such legal representation was satisfactory.

H. Respondent acknowledges that it enters into this Agreement voluntarily and without reservation.

II. All parties to this Agreement stipulate and consent as follows:

A. The Commissioner and the CSI have jurisdiction over the subject matter of this matter.

B. This Agreement is entered without adjudication of any issue, law, or fact. This Agreement covers only the factual allegations addressed above. It is entered into solely for the purpose of resolving the CSI's allegations and is not intended to be used for any other purpose. For any person or entity not a party to this Agreement, this Agreement does not limit or create any private rights or remedies against Respondent, limit or create liability of Respondent, or limit or create defenses of Respondent to any claims.

C. The applicable statute of limitations is tolled for two years from the date of execution of this Agreement with regard to the allegations in the Recitals. In the event Respondent violates the terms of this Agreement at any time before the applicable statute of limitations has run, the CSI reserves the right to seek any additional administrative penalties or further regulatory action.

D. This Agreement constitutes the entire agreement between the parties with respect to the subject matter contained herein and no other promises or agreements, either express or implied, have been made by the CSI or by any member, officer, agent, or representative of the CSI to induce Respondent to enter into this Agreement.

E. This Agreement may not be modified orally, and any subsequent modifications to this Agreement must be mutually agreed upon in writing, with the same formality as this Agreement, to be effective.


F. This Agreement shall be incorporated into and made a part of the attached Final Order issued by the Commissioner.

G. This Agreement shall be effective upon signing of the Final Order.

H. The Agreement is a public record under Montana law and, as such, may not be sealed or otherwise withheld from the public.


DATED this 1st day of November, 2017.

**OFFICE OF THE MONTANA STATE
AUDITOR, COMMISSIONER OF
SECURITIES AND INSURANCE**

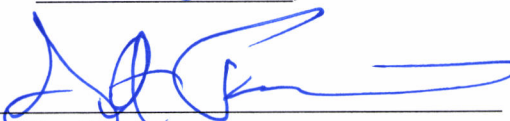
By: 
MICHAEL A. KAKUK
BENJAMIN TILLER
Attorneys for the CSI

DATED this 23 day of October, 2017.

Starr Indemnity & Liability Company

By: 
CHARLES DANGELO
President and CEO
Starr Indemnity & Liability Company

APPROVED AS TO FORM on this 30th day of October, 2017.

By: 
Scott Peterson

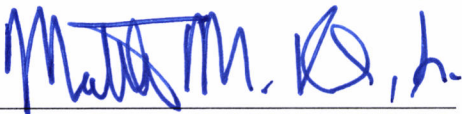
FINAL ORDER RE:

STARR INDEMNITY & LIABILITY COMPANY

Pursuant to the authority vested by Mont. Code Ann. §§ 2-4-603 and 33-1-101 et seq.,
and upon review of the foregoing Consent Agreement, and good cause appearing,

IT IS HEREBY ORDERED that the foregoing Consent Agreement between the CSI and
Respondent Starr Indemnity & Liability Company is adopted as if set forth fully herein.

DATED this 6 day of November, 2017.

By: 
MATTHEW M. ROSENDALE, SR.
Montana State Auditor,
Commissioner of Securities and Insurance